Economic Summary

2017

January

Employment

Employment Change—Utah’s nonagricultural employment increased an estimated 2.8%, or 39,000 jobs, between December 2015 and December 2016. Nationally, employment increased 1.5%, or 2.2 million jobs, between December 2015 and December 2016.

Unemployment—Utah’s unemployment rate was 3.1% in December 2016, lower than the December 2015 unemployment rate of 3.4%. The national unemployment rate was 4.7% in December 2016, lower than the December 2015 rate of 5.0%.

Wages and Income

Total Personal Income—Utah’s total personal income reached $124.7 billion* in the third quarter of 2016, rising 5.0% from third quarter 2015. Utah ranked 1st in the nation. Nationally, personal income increased 3.5% over the same period.

Average Annual Pay—Utah’s average annual pay grew 3.0% to reach $43,456 in 2015. Average annual pay for the nation in 2015 was $52,942, a year over year increase of 3.1%. Preliminary estimates suggest average annual pay grew 3.6% in Utah and 2.4% nationally between 2015 and 2016.

*seasonally adjusted at an annual rate
Source: Bureau of Economic Analysis and Utah Department of Workforce Services

GDP, CPI, Interest Rates, and Home Prices

Interest Rates—The 30-year fixed-rate mortgage (FRM) averaged 4.09% for the week ending January 19, 2017 according to Freddie Mac.

Home Prices—According to the Federal Housing Finance Agency (FHFA) House Price Appreciation Ranking, Utah’s house prices were up 9.5% in the third quarter of 2016 from third quarter of 2015.

Foreclosure Rates—At the end of the third quarter of 2016, Utah ranked 5th lowest with 0.56% of all loans in foreclosure.

The House Price Index includes purchases and refinances, while the Purchase-Only Index excludes refinances. NAR and FHFA data is Moody’s analytics adjusted.

Sources: National Association of Realtors; Federal Housing Finance Agency

Source: Bureau of Economic Analysis

Percent Change in Utah Employment by Industry: Dec 2015 to Dec 2016

Source: U.S. Bureau of Labor Statistics

GDP, CPI, Interest Rates, and Home Prices

Home Prices: Third Quarter 2016 Over Third Quarter 2015

Source: Bureau of Economic Analysis

Note: The median price is for existing single family homes, seasonally adjusted, from Economy.com. Home price data from the FHFA is limited to conventional mortgages guaranteed by Fannie Mae or Freddie Mac.

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Population—Utah surpassed the 3 million milestone in 2016 with a July population estimate of 3,054,806. Utah’s population growth rate of 1.9% between 2015 and 2016 was the fastest in the nation. The total 2016 population count for the United States was 323,127,513. This represents a population increase of 2,230,895 people, or 0.7% from 2015.

The Population Estimate for 2017 will be available in December 2017.

Overview of the Economy—The Utah economy remains healthy. Every major industrial sector expanded in 2016, contributing a total of 49,500 new jobs over the year. An annual employment growth rate of 3.6 percent was above the state’s long-term average and among the strongest in the nation. Utah’s construction sector posted the highest job growth in 2016, 6.8 percent.

Outlook 2017—The consensus forecast predicts moderating— but still healthy— job and wage growth, low unemployment, and increased net migration in 2017. Internal risks to the Utah economy include the supply of workers, education warning signs, and air quality. Potential federal trade policy changes, normalization of monetary policy, and geopolitical instability could also present challenges. Demographic advantages, an appealing business climate, and increasing labor force participation will continue to be an advantage for the Utah economy. Potential expansionary federal fiscal policy including tax cuts and infrastructure spending also present an upside risk. Utah’s economy is expected to be one of the top performing economies in the nation in 2017.